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Philippines: President Marcos has a good chance of becoming the first Philippine president to win a second term.

As the incumbent, Marcos has exercised his control of government organizations to the fullest to further his chances in the election that is to take place on 11 November. Liberal Party candidate Senator Osmena has been beset by a lack of money and party disagreements. He has thus been unable to maintain the momentum he built up in September through a series of speeches that cut into Marcos' early commanding lead.

The outcome of the separately contested vice presidential race appears to be a tossup. Osmena's running mate, Senator Magsaysay, hopes to advance the political career he has built on being the younger brother of the revered late President Ramon Magsaysay. Nacionalista Party Vice President Lopez has projected considerable appeal as an honest and self-effacing man.

Both presidential candidates have pledged early renegotiation of US military base rights. Filipinos privately acknowledge the security and economic benefits of the bases, but they want greater Philippine jurisdiction over incidents involving the US military. The election campaign has delayed consideration of a Philippine negotiating position, and Manila will probably not be ready to begin discussions for several months.

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Italy: The decisions the Christian Democratic Party leaders reach at their current national council meeting will determine how long Premier Rumor's one-party minority cabinet will last and in what circumstances it will be replaced.

The party has been troubled since late October by a split in its largest faction. The split came over the attitude the party should adopt toward re-constituting a four-party coalition government with the two Socialist parties and the Republicans. Party Secretary Piccoli has resigned to force a decision. He wants to call early parliamentary elections if a four-party center left government cannot be worked out. The choice of Piccoli's successor at the meeting will be an indication of the likely course the party will take.

The leading candidate is Arnaldo Forlani, a man whom various factions could support. His election would probably not have any immediate effect on the Rumor government. Forlani probably would want to consolidate his position as party secretary before giving the go-ahead to open negotiations for a center left government. He also would prefer to wait until after the local elections scheduled for next spring. Forlani believes that the parties would be more ready to negotiate seriously once they can gauge the effect the Socialist party split of last July has had on their strength.

It is expected that the center left parties will be satisfied to see a continuation of the present government and will continue to give it their support.

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Brazil: The fragile truce between the Catholic Church and the government could be broken by the involvement of Dominican priests in terrorist activities.

Evidence that several priests of the Dominican order gave substantial support to the terrorists led by the late Carlos Marighella has caused some security officials to call for a thorough investigation of the order and perhaps its expulsion from Brazil. The clergymen had provided the group with safe havens, arranged official documents such as passports, and handled international press contacts.

Since the 1964 revolution, a significant number of Dominicans have assisted several clandestine antigovernment organizations, including the National Student Union and the radical Popular Action movement. Security forces believe that the many foreigners in the order give it a pronounced leftist orientation. The priests justified their action by insisting that the military and the government have "declared war" on any effective opposition, and that such an enemy could be combatted only with violence.

The Dominicans, although not one of the largest orders in Brazil, have considerable influence on the Brazilian hierarchy. Extensive sanctions against the order could cause church leaders to abandon their present tactic of avoiding public criticism of the government.



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NATO: The North Atlantic Council has taken a skeptical view of the Warsaw Pact proposal for an early European security conference, but may issue its own call next month for negotiations with the East.

Meeting in special session in Brussels earlier this week, the deputy foreign ministers of the NATO countries examined the recent Prague appeal for such a conference in the first half of 1970. They also reviewed the progress of the Alliance in developing its own list of issues for eventual negotiation with the East.

There was general agreement that the Warsaw Pact proposal was designed to blur the memory of the Soviet intervention in Czechoslovakia, to gain recognition for East Germany at the conference table, and to solidify the status quo in Europe. Most saw the Prague declaration as a propaganda exercise that failed to include either substantive issues for negotiation or the participation of the North American allies.

Nearly all the ministers agreed, however, that the appeal could not be ignored. They thought NATO should seize the initiative by offering to discuss more concrete issues such as balanced reductions of opposing conventional forces. They also suggested that suitable subjects for negotiation would be the guiding principles for peaceful relations between the European states and measures to promote economic, scientific, and cultural exchanges.

The selection of these topics may be further complicated, however, if, as now seems likely, the Warsaw Pact powers themselves give greater details about the recent Prague meeting to other governments. They reportedly will hand over documents from the meeting to interested countries spelling out the Pact's ideas for the two-part agenda proposed in the communiqué.

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Congo (Kinshasa): The government's settlement of the claim of Union Miniere, the Belgian copper company that was nationalized over two and a half years ago, provides substantial benefits to the company.

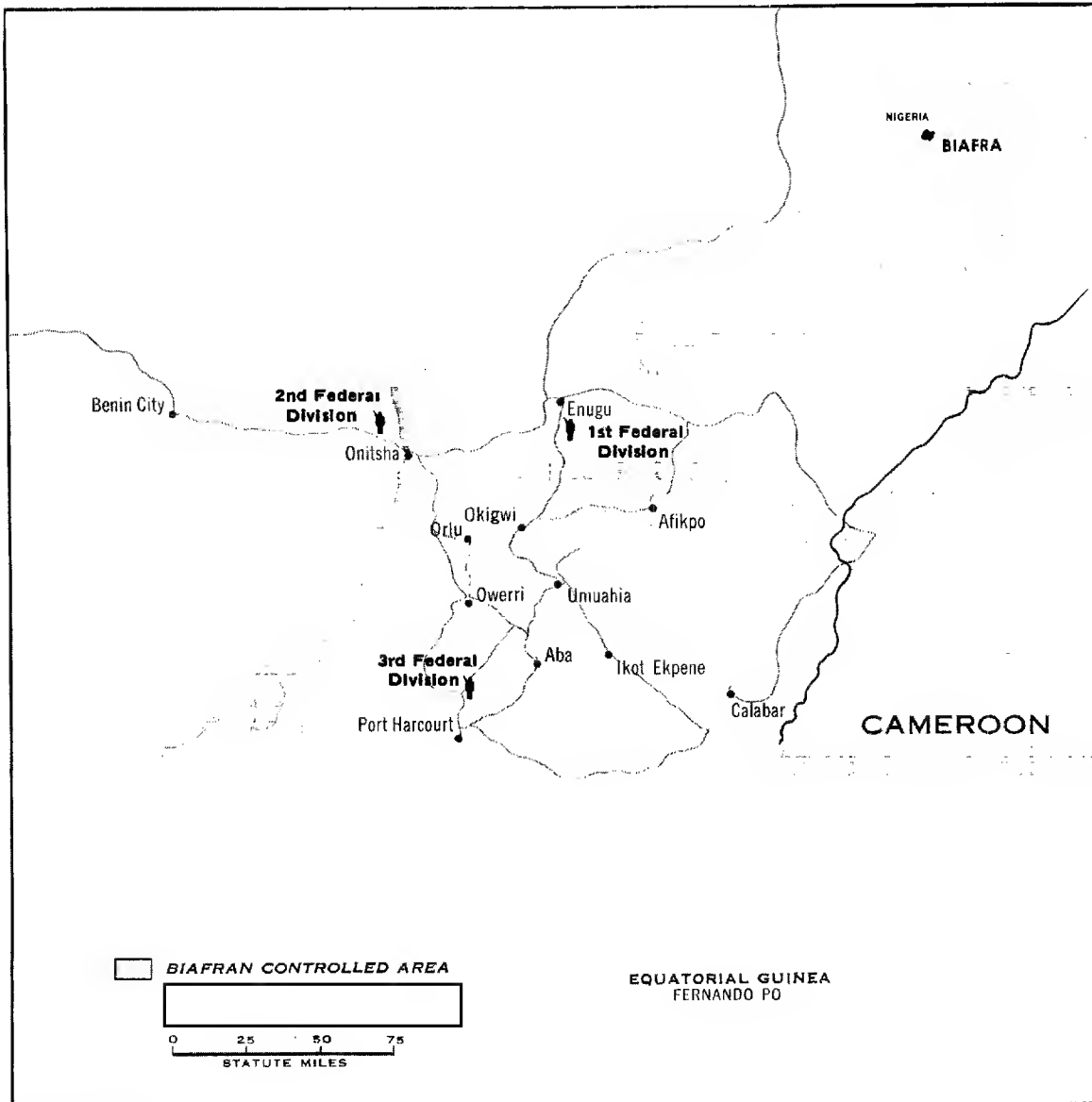
Under the terms, which were agreed to last September but only recently disclosed, Union Miniere stands to gain substantially more than the \$300-million book value of its seized assets. The compensation to Union Miniere will come out of the commission paid to its affiliate, Societé General des Minerais, under its 25-year contract for management of the nationalized copper company.

President Mobutu believes the agreement improves the investment climate in the Congo and clears the way for several loans from the International Bank for Reconstruction and Development for much-needed improvements to the transportation system. With copper accounting for almost half of the government's revenues and three fourths of the country's foreign exchange, continued copper production is crucial to the government's financial situation.

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Nigerian Federal Forces Preparing for Another Offensive



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Nigeria: Federal forces are preparing to launch another offensive in an effort to break the stalemate that has prevailed for the past seven months. The federal First Division is to start a drive within the next two weeks.

The Biafrans have recently initiated small-scale action on the southern front. They have been expecting a federal push for some time and will probably be able to prevent any significant early gains by the federal forces.

(Map)

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Netherlands Antilles: Former minister-president Kroon's decision not to insist on heading a new administration may remove a big obstacle to the formation of a coalition government. Kroon's Democratic Party was toppled from power last May by labor opposition and violent riots. The 5 September elections called by the interim government proved inconclusive inasmuch as no party received a majority. In that election, the Democrats and their traditional ally, the Aruba Patriotic Party, won 11 of 22 legislative seats. None of the several opposition parties, however, has been willing to join in a coalition headed by Kroon. The Workers Front, the recently formed political arm of labor, surprisingly won three seats in the election and has thus far refused to join a coalition.

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